

~~TOP SECRET/BYEMAN/MEDITATE~~ THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI

SUBJECT: Fiscal Year 1981 National Foreign
Intelligence (NFIP) Budget Guidance (U)

OMB does not agree
with our conclusions.

*John White, Jim McHugh's views
are expressed to you
at Tab B.*

George: [unclear]
After an extensive dialogue between the NSC and OMB over OMB's proposed NFIP budget guidance, I was disturbed to find that OMB issued on July 11 what Stan Turner, Harold Brown, Cy Vance, and I all feel to be an artificially low 1981 ceiling, particularly given the stress being placed on SALT verification. Memos from Stan, Harold and Cy appealing this ceiling under the provisions of E.O. 12036 are attached (TAB A). (C)

*Don't
forget*

We are concerned that the ceiling is insufficient for the needs ahead, both technically and politically. I know you share my view that an inordinate amount of time has been spent on intelligence budgets these past two years, and I believe it important to head off repeated frustration by establishing an adequate level early--especially in light of its relativity to the SALT ratification process this year. While we agree wholeheartedly that budget growth must be carefully controlled, we each think there is real cause for concern in this case. (C)

In particular, OMB should not assume we can revisit your long term decisions every year. Changing ground rules each year on major programs makes it difficult for Congress to support our programs when they assume that once they agree to your acquisition decisions through legislation they will be carried out, especially in SALT related areas. Thus, if we recognize the NRP decisions made by you

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[redacted] for SALT monitoring, and your agreement with Congress on [redacted] along with maintenance of existing program capabilities to preclude gaps until new systems are on-line--there is little if any discretionary funding left in the NRP. (TS/BYE)

If you continue to support the above decisions and political commitments, OMB's \$5.35B for FY-81 will cause major shortfalls in all other elements of the NFIP with heavily damaging effects on CIA, General Defense Intelligence Program (GDIP), and Consolidated

~~TOP SECRET/BYEMAN/~~ [redacted]

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Derivative: DCI

Review: July 25, 1999

Extended by: MCSM

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in political and economic intelligence production and analysis
which you specifically directed, plus important upgrades to other
technical and HUMINT collection capabilities would all be seriously
impacted. We do not see this as a prudent course of action. (S) ILLEGIB

[redacted]
For example, in the CIA, the DDO has already been ~~cut to half of~~
~~its previous strength.~~ This ceiling would result in another 25%
reduction to both our covert action capability and our already
austere agent recruitment program. The GDIP would not be able to
expand the capability of seismic sites important to our nuclear
intelligence effort. We would not be able to program continuation

[redacted] beyond the mid-80's, and we could 25X1
expect severe curtailment of NSA's essential modernization program
to keep pace with intercept and successful attack against ILLEGIB
encyphered signals. These are but a few examples of what we face.
(TS/[redacted] 25X1

Additionally, the important improvements in survivability of our
national intelligence technical collection assets, support to NATO,
and in our operational support to military commanders simply will not
be addressed at OMB's budget level (even OMB itself recognizes this
need in its guidance, but sets a figure which is prohibitively low). (S)

Finally, the 1981 ceiling and outyear projection are likely to
become serious political issues during the SALT ratification debates.
The Senate Select Committee (Intelligence) could conclude that it
will be inadequate to sustain what they feel are commitments on our
part to maintain both an adequate SALT monitoring capability and a
viable intelligence program to support all other national security
interests. The reaction could be very damaging. We should allow no
one to doubt that we intend to live up to commitments for a strong
intelligence program fully adequate to monitor SALT. We recommend
that you direct OMB to change the guidance to cover a range from
about \$5.5B to \$5.8B, as suggested by Stan. We could thus avoid
any confrontation in the SALT context if Administration witnesses
were challenged over the adequacy of the budget in the "outyears."
They would be able to respond that there is adequate flexibility.
You, of course, would be free at budget approval time to reassess
the final level--avoiding this unnecessary political pitfall. (S)

RECOMMENDATION [redacted] ILLEGIB

Direct that OMB reissue a guidance range of \$5.5B to \$5.8B. (C)

APPROVE _____

DISAPPROVE _____

OTHER _____

Attachments

TOP SECRET/BYEMAN [redacted]

- 2 -

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